

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No 195 of 1996

in

COMPANY APPLICATIONNO 153 of 1996

For Approval and Signature:

Hon'ble MR.JUSTICE S.D.DAVE

=====

1. Whether Reporters of Local Papers may be allowed to see the judgements?
2. To be referred to the Reporter or not?
3. Whether Their Lordships wish to see the fair copy of the judgement?
4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder?
5. Whether it is to be circulated to the Civil Judge?

AEGIS CHEMICALS INDUSTRIES LTD

Versus

.

Appearance:

MR MANISH R BHATT for Petitioner

MR HAROOBHAI MEHTA, SR. CENTRAL GOVT. STANDING
COUNSEL FOR THE CENTRAL GOVT.

CORAM : MR.JUSTICE S.D.DAVE

Date of decision: 02/04/97

ORAL JUDGEMENT

This petition is submitted by the petitioner for

sanction of the Scheme of Amalgamation (Annexure.C to the petition) by virtue of the provisions contained in Sections 391, 392 and 394 of the Companies Act, 1956 ("the Act" for short). The petitioner Company, namely, Aegis Chemical Industries Ltd., is a transferee Company with which Amit Alcohol and Carbon-Dioxide Ltd., is sought to be merged by the proposed Scheme of Amalgamation. The petitioner Company is hereinafter referred to as "the transferee Company" and the aforesaid Amit Alcohol and Carbon-Dioxide Ltd., is hereinafter referred to as "the transferor Company".

The main objects of both the Companies are elaborately set out in the petition. They inter alia include, in the case of the transferee Company, to acquire and take over business of any Company, partnership or individual, to carry on business of manufacturers, importers and exporters of and dealers in mechanical, electrical, textile, agricultural, refrigeration, air-conditioning, chemists, druggists, drysalters, oil and colour-men, importers and manufacturers and dealers in pharmaceutical, medicinal, chemical and industrial and other preparations and articles, compounds, cements, oils, pharmaceutical, chemicals, machinery, apparatus, tools, appliances products and goods of every description. The transferee Company is presently engaged in business activity including operations of a liquid chemical terminal and storage division at Trombay, Mumbai and manufacture of petrochemical products at Vapi, Gujarat.

The main objects of the transferor Company are to establish, maintain and run, plant and machinery, for the manufacture of alcohol, yeast, liquors, spirit, oils, carbon-dioxide gas, dry ice and beverages and buy, sell or otherwise trade in such products as also to manufacture acetylene, chemicals, oils and other products and to deal and sell such products. The transferor Company is presently engaged in the business of manufacture and sale of pentaperythritol and industrial alcohol having its three divisions, namely, (1) Pentapherythrilol, (2) Alcohol division and (3) Carbon-Dioxide Division located at Vapi, Gujarat.

It is the case of the transferee Company that the transferor Company is an existing profit making Company. Since both the Companies are under the same management, it was thought fit to amalgamate both the Companies for their mutual advantage. It is the case of the transferor Company and the transferee Company that in addition to the general advantages of consolidating the business

operations and facilitating synergies in key business areas of manufacturing, finance marketing and distribution, there will be specific advantages to both the Companies as enumerated in para 9 of the petition. It has been contended that since both the Companies are under the same management group, it is for the mutual advantage of both the Companies to merge Amit Alcohol and Carbon-Dioxide Ltd., with the petitioner transferee Company, namely, Aegis Chemical Industries Ltd. Various circumstances and advantages of the arrangement have been enumerated in para 9 of the petition.

The transferor Company has filed Company Petition No.196 of 1996, which is disposed of today by a separate order.

In so far as the transferee Company is concerned, pursuant to the order made by this Court in Company Application No. 153 of 1996, the petitioner convened meetings of its shareholders, secured and unsecured creditors on 9th and 10th September 1996, after publishing necessary advertisement. The scheme as per Annexure.C was sanctioned unanimously with one modification, which the Company has agreed to incorporate in the final scheme. The Chairman's report is filed to that effect.

Pursuant to the order passed by this Court in the present petition, necessary advertisement was published in the "Indian Express" and "Gujarat Samachar", Ahmedabad editions of 7.10.1996. No objection has been received and there is none who has presented himself to make any submission against the proposed amalgamation. The Central Government has been served with the notice and the Sr. Central Govt. Standing Counsel Mr. Haroobhai Mehta has appeared and he submits that he has received the instructions as per letter dated 19.3.1997 from the Registrar of Companies, copy whereof is produced on record and states that the Central Govt. has decided not to file any representation and the matter is left to this Court for deciding the same on merits.

Under the aforesaid circumstances and in the facts and circumstances emerging from the record of this petition, it has to be ordered that the transferor Company, namely, Amit Alcohol and Carbon-Dioxide Ltd., be merged with the transferee Company, namely Aegis Chemical Industries Ltd., with effect from 1.4.1996, as per the proposed scheme of amalgamation produced at Annexure.C to this petition. Consequently, all the rights, assets, liabilities and duties of the transferor Company shall

stand transferred to and vested in the transferee Company, namely, Aegis Chemical Industries Ltd., without any further act or deed and all the liabilities and duties of the transferor Company shall also become the liabilities and duties of the transferee Company in view of the scheme of Amalgamation as per Annexure.C being sanctioned.

The petitioner is directed to file copy of the order with the Registrar of Companies, within a period of 30 (thirty) days. It is clarified that any person interested shall be entitled to apply to this Court for any appropriate direction that may be necessary.

The petitioner shall bear the cost of this petition and shall also pay the fees of the learned Sr.Central Govt. Standing Counsel Mr. Haroobhai Mehta appearing on behalf of the Central Govt. which is quantified at Rs.2,500/- (Rupees Two thousand five hundred only).

The petition stands disposed of accordingly.
